



The State of New Hampshire
DEPARTMENT OF ENVIRONMENTAL SERVICES

Thomas S. Burack, Commissioner



February 16, 2007

Representative James G. Phinizy, Chairman
Environment and Agriculture Committee
Legislative Office Building, Room 303
Concord, NH 03301

Subject: HB 503-FN, an act relative to establishing a solid waste management fund and assessing a surcharge for the disposal of solid waste

Dear Chairman Phinizy and Members of the Committee:

HB 503-FN seeks to establish a solid waste management fund capitalized by revenue from a \$2.50 per ton surcharge on waste disposed at New Hampshire landfills and incinerators. The primary goals of this bill are to provide revenue to operate the state's solid waste program and to provide an incentive for statewide waste reduction and recycling. HB 503-FN was introduced by the sponsors at the request of the Department of Environmental Services (DES).

RSA 149-M:2 established a waste reduction goal of 40% for New Hampshire. In 2005, the overall state recycling rate was 29.2%, while the residential recycling rate was only 18.1%. Clearly, more can and should be done to conserve our natural resources and declining landfill capacity. A \$2.50 per ton surcharge on disposal of waste will provide an incentive to recycle, as disposers react to lower their costs. Recycling makes good economic sense. Communities with advanced recycling programs not only avoid the disposal cost on recyclables but also realize a profit on the sale of recycled items.

DES estimates that New Hampshire has sufficient permitted landfill capacity until the year 2020. While it may seem that there is adequate time to develop additional landfill capacity, consider that DES has not permitted a new landfill since 1996. Approximately 10 years are required to site, design, permit, and build a new secure landfill facility. DES is not currently aware of any potential new landfill applicants. DES believes that passage of HB 503-FN will result in an increase in the state recycling rate and the disposal of less waste, thereby preserving more landfill capacity for wastes that cannot be recycled.

The DES solid waste management program is currently funded entirely from the state's general fund. Because of budgetary constraints resulting from the increasing competition for limited general funds, DES cannot adequately respond to an ever increasing demand for solid waste services by New Hampshire citizens. Recent public policy has favored a system of "user fees" for those that consume state services. Revenue generated from the surcharge created under HB 503-FN will, in part, be used

to fund the state solid waste management program in lieu of general funds. This measure will relieve the general fund of an approximate \$1.7 million per year obligation and place the burden of funding these state services on those that "use" the services – waste disposers.

To assist the Committee in evaluating the merits of HB 503-FN, we have attached three tables showing projected sources and uses of revenue generated by the surcharge. DES appreciates having the opportunity to explain the information in these tables and to testify in support of this bill. If you have any questions regarding this matter, please do not hesitate to call me at 271-2958 or Tony Giunta at 271-2905.

Sincerely,

A handwritten signature in black ink that reads "Thomas S. Burack". A large, semi-transparent red "COPY" stamp is overlaid on the signature.

Thomas S. Burack
Commissioner

cc: Representative James Powers
Representative Jane Beaulieu
Representative Timothy O'Connell
Representative Naida Kaen
Senator Martha Fuller Clark